

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1168-01
Bill No.: HB 431
Subject: Economic Development; Property, Real and Personal; Taxation and Revenue.
Type: Original
Date: February 17, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state the proposed legislation authorizes the establishment of a MODESA project within a 100 year flood plain if the buildings meet Federal Emergency Management Agency (FEMA) flood proofing certification standards. If passed, this legislation will have a fiscal impact on the state because it will allow Springfield the ability to submit a MODESA project that otherwise would not have been eligible. The project will impact the future ""net new"" increment of state sales tax and state income tax. DED assumes that any costs could be offset by some positive but unknown economic benefit to the state that would be realized by the development of the project.

DED states they have already received funding to administer the MODESA program and this proposed legislation would not change the administrative costs.

Officials from the **City of Springfield** assume the proposal would not fiscally impact their city.

Officials from **Greene County** did not respond to Oversight's request for fiscal impact.

Oversight assumes the proposal may result in an increased utilization of the Missouri Downtown Economic Stimulus Act, but the spending cap for the program (\$150,000,000) has not changed

ASSUMPTION (continued)

from the enabling legislation in 2003 (HB 289). Oversight reflected the potential cost of the program in the fiscal note for the enabling legislation and therefore, assumes this proposal has no additional fiscal impact to the State.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

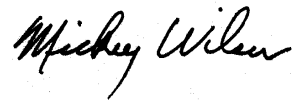
This proposal prohibits certain buildings in the City of Springfield from being eligible to receive the sales and income tax increments of the Missouri Downtown and Rural Economic Stimulus Act (MODRESA) if they are located within the 100-year flood plain. Buildings located within the city's 100-year flood plain must be certified as flood proofed in accordance with the Federal Emergency Management Agency's standards or they will not be eligible to receive the MODRESA tax benefits.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
City of Springfield

NOT RESPONDING: Greene County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 17, 2005